

PROVIDING INTEGRATED SOLUTIONS THROUGH THE LIFE CYCLE OF PROJECT-BASED BUSINESSES

ZAVANTI

Raluca Druta, TEC Research Analyst
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Company Overview

Founded in 2001 and based in Sydney, Australia, Zavanti offers an end-to-end suite of solutions for the real estate and construction (property owners, developers, builders), as well as professional services verticals. The company’s clients include commercial and residential building owners, construction firms, as well as engineering, architect, contractor, and consultant companies.

The core enterprise resource planning (ERP) system has been developed in-house by Zavanti, whereas the front-end customer relationship management (CRM) system is an adaptation of MS Dynamics CRM for the real estate and professional services industries—which came through the acquisition of the Australian-based company Quantum Business Technology in July 2012. The Feasibility module has been recently developed in response to real estate clients’ requirements to automate some of the processes for feasibility modeling and analysis.

Zavanti has been developing its software solutions with experienced product engineers who have garnered more than 30 years of experience in global software development, and with the company’s clients—a source of inspiration and constructive feedback for the vendor. Key benefits of the Zavanti Software Solutions include gaining web access to information, leveraging reporting and analysis capabilities for operations optimization, simplifying processes through automated workflows, and integrating CRM, ERP, and Feasibility systems to maintain data consistency (figure 1).

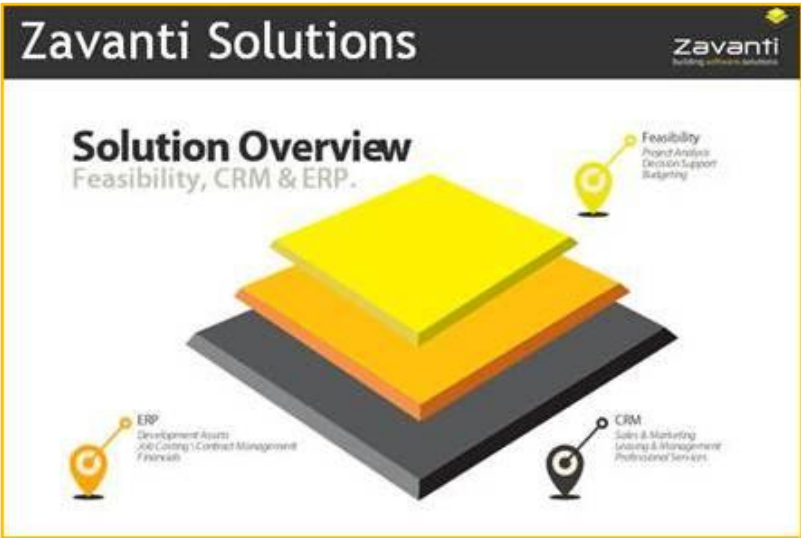


Figure 1

The company makes roughly 2 million USD in revenue every year for the past two years, and has four offices across Australia and Asia, where it employs 11 people. Today, the company has more than 80 customers—all of which are located in Australia or Asia. However, the company intends to expand its geographical outreach to North America and Africa. With the anticipated geographical expansion, the Zavanti expects to grow from 11 to more than 20 employees over the next few years.

A large portion of Zavanti’s portfolio of clients is active in the property development area of expertise. Most of these companies take a lot of land, lay the infrastructure, and erect constructions. Zavanti’s clients’ focus of interest in property development varies, as some specialize in master plan estates, others in building high rises, and still others in building commercial edifices. The Zavanti solution can scale upwards or downwards to all these different levels of managing property development.

Zavanti offers a series of implementation services including planning, consulting, training, customization, and project management. The vendor’s consulting services focus on product customization, product support, training, and report creation. The training provided to clients varies from serving basic needs (product centric) to advanced/customized business-specific needs (organization centric). Training can be delivered both on-site and online. Support services allow clients to obtain responses to routine questions as well as benefit from troubleshooting assistance.

Zavanti for Property Development

Looking more specifically at property development, Zavanti can assist companies with various types of projects (from ships building to billion-dollar constructions) by following the same project life cycle (figure 2): from setting up the project through feasibility, development, sales, supplier/client management, and financials.

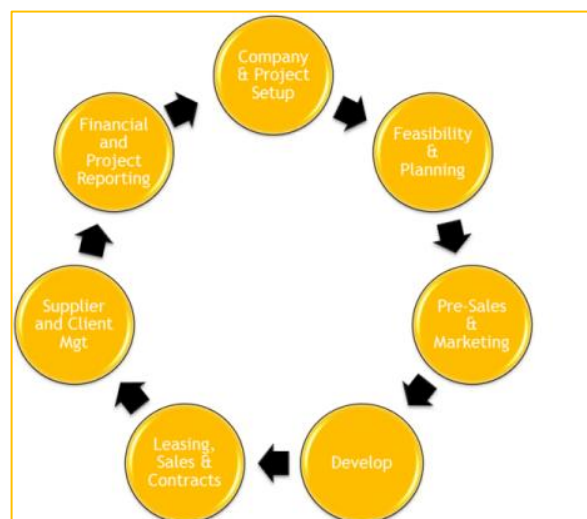


Figure 2

Project setup stage

In the project setup stage for property developers, the Zavanti solution stores estate data as well as information describing the different stages of the development of an estate. Each stage subsumes multiple projects that handle the development of various components of the estate. The definition of stages can vary from one developer to another.

For example, the first stage can be erecting an apartment building or, in another case, building the foundation of an apartment building. The solution holds all of the information for each edifice to the finest detail (non only apartments, for example, but also windows, doors, etc.). The system can create reports at any time on individual projects, stages, or the overall estate.

At the project level, cost centers are the central component—i.e., an activity that a company is maintaining a budget for. In other words, for each project, there are various items for which a company needs to plan a budget. For instance, in the case of a land developer, typically there is a series of cost centers that revolve around land acquisitions. With that come property purchases, legal documentation, etc., that all need to be planned and budgeted for ahead of time.

Feasibility & planning stage

Feasibility and planning allows a property developer to put together a study on the viability of a project. Essentially, the solution uses the same cost and construction data present in the ERP system. This data is used to plan cost and building elements and further generate a budget. Different budgeting models can be compared to obtain the best outcome. Once the outcome has been approved, it can be pushed directly into the ERP system.

Once a project is opened in the ERP system, users can keep track of the details that have been created in the feasibility stage. For instance, if according to the feasibility budget and development plan a building can hold 100 apartments, they can all be traced in the ERP system. From there, the user can provide descriptions, designs, etc., of the apartments.

The ERP and the CRM systems integrate certain data as required by each project. The CRM system holds sales, leasing, and marketing data, and the ERP system integrates construction data. In fact, the CRM functions complement those of ERP, as both systems can hold the specifics of apartments. The ERP system can hold the financial data (land cost, apartment cost, extras cost, etc.), and the CRM system can hold more refined information about colors, materials, types of design, and so on.

Pre-sales & marketing stage

Zavanti CRM can handle stock/inventory management and maintenances, contract management, integration with web sites for marketing lead generation,

as well as tracking and scheduling of customer-related activities. The sales and leasing management tool is configurable to clients' particular requirements, as these typically vary from one property owner/developer to another. This data is fully reportable to allow for monitoring of sales performance (see figure 3 for sales dashboard).

A sales portal helps organizations better manage their relationship with external agents—who do not need to be exposed to all the data stored in the CRM system. Similarly, clients can view the status of projects directly in the sales portal. From a mobility perspective, the MS Dynamics CRM apps can be easily downloaded and accessed by sales, marketing, and customer support.

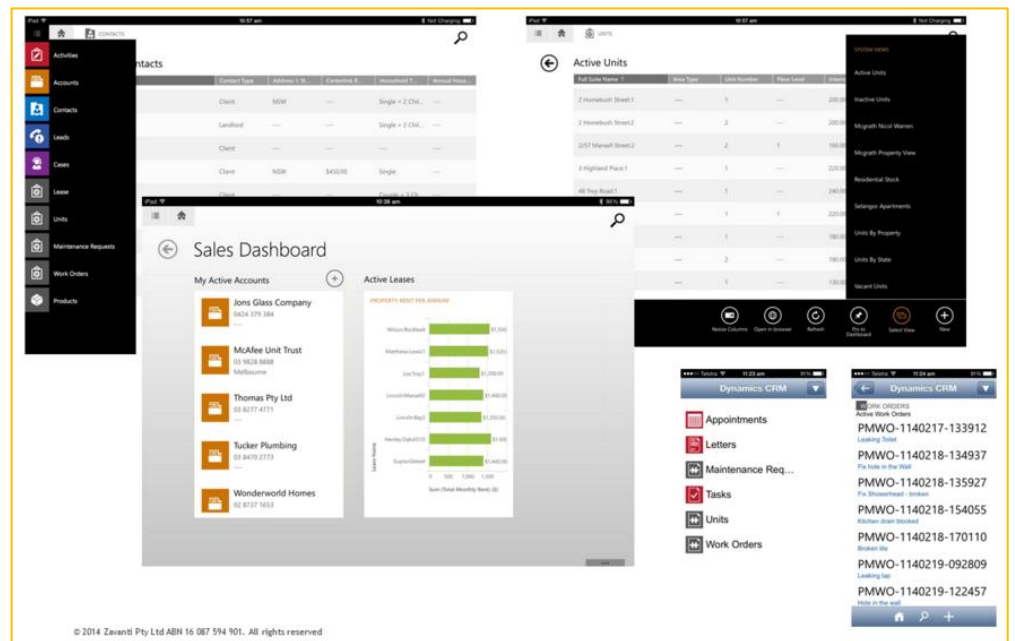


Figure 3

Development stage

In the development stage of a project life cycle, managing the budget and costs is essential. The budget is usually generated during the feasibility stage or manually keyed in. The budget is not changed unless special change orders from project managers are requested or approved for certain cost centers. The cost controls for each project allow for monitoring of financial transactions and effectiveness of each activity that occurs during the development process.

The system can send alerts if project team members go over the initial budget. Users are allowed to override these types of warnings depending on their role. Various team members can view and approve costs depending on their roles—and amount limits can be set for each role. For instance, certain costs can be approved by project managers alone, whereas others have to go through the chief financial officer (CFO). These configurations occur at the beginning of projects, right after the budget has been approved.

Supplier management stage

When the project team requires purchasing goods and services from an external supplier, the system maintains that information in the supplier management module. Users can generate purchase orders against suppliers, incur invoices, track the progress of contracted work, perform retentions, maintain inventory, and check how much a team member spent out of the approved budget.

Financial & project reporting stage

The forecasting tool included in the Zavanti suite takes budget data/spending data directly from feasibility results. Forecasting goes through cost centers and revenue streams, and it then generates a cash flow and expenditure report. This allows companies to forward track financing as well as have the right information for loan applications. This tool allows all projects to be consolidated at the company level, as it can be set up to generate a one company wide cash flow report every month.

Additionally, the Zavanti ERP system offers project performance measurement tools that show budget profits, cost to complete, remaining budget, etc. Users can drill down into each component of a performance report for more details. Zavanti ERP also includes three types of project reporting: status analysis report (which can be changed at the level of variables as well as format), crystal reports, and project-specific reports (allowing users to create any project-related data field out of a database into a template, carry on formulas into Excel, and output the results into Excel format). Zavanti ERP also includes financial reports.

The dashboard and reporting feature via the front-end CRM system displays data analysis collected from both CRM and ERP. The data from ERP is pushed into the SQL database of the CRM system, which can create the SQL-based reports dashboards (figure 4). Depending on the role of each team member various dashboards can be created: for sales and marketing, constructions, finance, overall project supervision, etc.

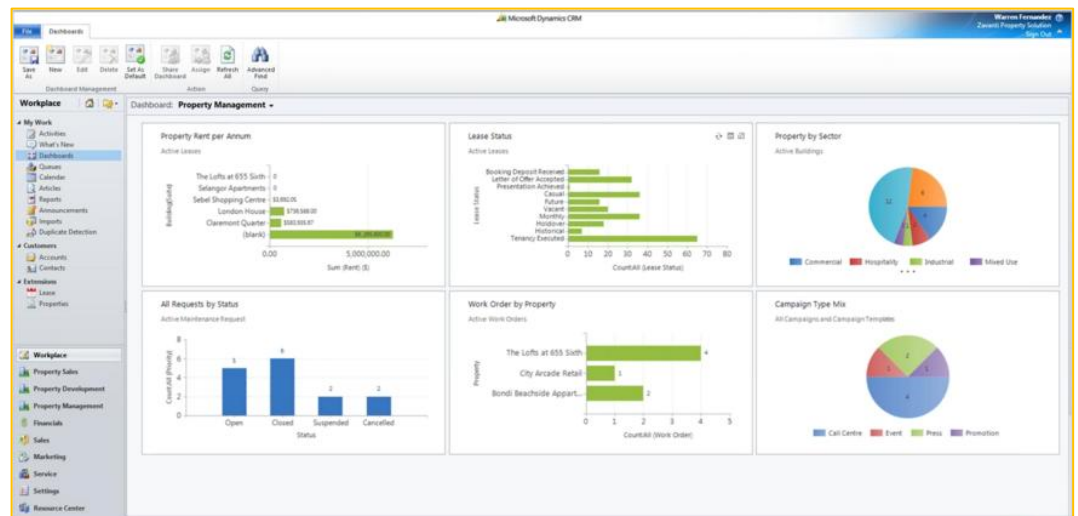


Figure 4

Zavanti Feasibility

At the heart of property development ventures lies feasibility. Feasibility looks at various aspects of property development such as financial numbers, land, required expertise to conduct and execute the overall project, and the overall market. This is a tedious process that requires precision, as it lays the foundation for all future operations.

Feasibility studies usually predict the success or failure of a project and unveil some of the difficulties or risks folded within the essential components of a property development undertaking. For instance, it is important to understand the qualities of the land where the property is to be developed—if the land is suitable for the buildings that a developer has in mind, if it is affordable for infrastructure development, and if it runs any environmental risks.

In other words, the principal goal of a feasibility study is to conclude as best as possible whether a development project will be profitable taking into account all projected costs and potential risks as well as expected revenues.

An important component of the Zavanti suite for property developers is the Feasibility module, which helps users to understand whether the planning and budgeting estimations of a development project are realistic. This module can work stand-alone and it can generate Excel files, which can be imported into any ERP system.

For Zavanti ERP users, the Feasibility application provides the benefit of having a seamless integration and transition from the feasibility phase to the rest of the project administration, which is handled by the ERP tool. In other words, the work done in the feasibility stage can be carried through to the ERP system with no data loss. Once the Feasibility tool has produced an outcome, upon approval, a project can be created by automatically taking that outcome into account.

The Zavanti Feasibility module allows developers to set goals with detailed return on investment (ROI) expectations. As users are working on feasibility studies, the system will show red light or green light key performance indicators (KPIs) as an indication of how close a company or team is to achieving its initial set of goals.

Feasibility creation involves timing, cost centers, and revenue streams. Users can enter expected expenses related to acquisition costs, planning and design, compliance, selling and marketing, etc., as well as expected income sources from selling or renting property. Each cost and revenue element has individual parameters (cost, time, etc.). The system can produce a Gantt chart and cash flow based on entered costs and parameters (figure 5). Additionally, it produces a financial statement for individual projects.

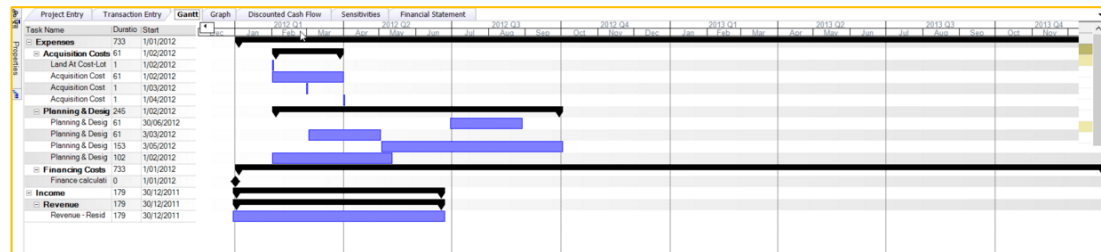


Figure 5

A sensitivity analysis tool is also made available to conduct what-if scenarios during the feasibility stage. Users can view outcomes by changing the amounts of one or multiple costs.

Once a feasibility project has been created, it can be stored as a template and further adjusted as needed. Additionally, the financial statement, cost elements, transaction entries, sensitivity outcomes, and output report can be exported to a Word document template. This project summary report can be taken to a board of managers for approval and funding.

Key Business Benefits

Zavanti software applications integrate to offer a comprehensive solution for the company's clients, yet they also leverage modular design to provide focused and highly specialized solutions where required. Here are the top benefits of the Zavanti system:

- Property management firms oftentimes report that they struggle with creating and maintaining a system that allows them to store and modify data relevant to their business. In response to this need, Zavanti has created a comprehensive industry-specific database model that can be adapted to clients' specific requirements. Additionally, the solution can integrate with third-party systems that specialize in areas that Zavanti software does not cover.
- The system allows companies to control, standardize, as well as continuously improve business practices across projects by taking advantage of built-in industry-specific workflows, increased control, real-time project progress, and forecasting. Additionally, Zavanti consultants help clients with industry best practices and expertise.
- Businesses can manage property assets from various perspectives: sales, accounting and financials, project planning and management, as well as data analysis.
- From a project management perspective, managers can follow the project costing for detailed control and business operations, administer contracts, and view property stock control levels (state, stage, lot, improvement, etc.).

- Sales and marketing teams can work together to generate and convert leads into opportunities by leveraging workflows for the entire sales process and collecting leads from various campaigns and online sources.
- Property owners can administer entire estates including rentals, maintenance requests and costs, and common areas. Reports on property performance and facility utilization are also a key benefit for Zavanti clients.
- A large variety of financial reports allow property owners to control costs and continuously compare budget versus actual accounting figures to view overruns and underruns at the project/property level as well as at the overall company level.

Customer Success Story

The Village Building Company has been working with Zavanti International for more than 11 years. Starting small, both companies have grown over those years; Village Building has quadrupled in size, while Zavanti has expanded its products offering to a full range of ERP solutions.

The Village Building Company started as a land development company 22 years ago, but has, in the last six years, expanded into the construction industry. This was a planned growth and one that demanded more sophisticated management and reporting processes.

Before Zavanti, the organization was working with numerous different products that it quickly found were not able to service the needs of a growing company. Previous software providers were too rigid; out-of-date even, and were unable to help The Village Building Company achieve optimal efficiencies in its new ventures.

As a company in expansion, Zavanti provided the solution. Software that was configurable to the client's needs and flexible to integrate. The two companies have worked together for close to 11 years, and The Village Building Company considers Zavanti to be more of a partner than a supplier; they have grown together.

The previous systems' lack of integration and management failures were really highlighted when The Village Building Company started working with Zavanti. This was the area that needed to improve to ensure new ventures stayed on-budget, and for that reason Zavanti financial planning, accounting, and document management modules are what the client found the most powerful in driving its business forward.

The functionalities across those modules integrate to provide a system that is efficient and adaptable. The most powerful elements across these modules for The Village Building Company are the estimating, job costing, and purchase order

modules, as they allow users to capture the financial life cycle of the project and control budgets from project start to finish. Zavanti's purchase order module is unique in that it allows restricted authorizing to raise purchase orders outside of the estimate, which is extremely useful in time-critical situations.

Tracking and invoice recording is also a priority for the client, and the relationship with Zavanti proved to be especially beneficial in this instance, as both companies built a vouchering module to fit The Village Building Company's unique situation.

The key benefit for the client is that the software can be easily configured to suit the growing need of a company. It's not a rigid product; the support team and consultants are skilled in configuring the solution so that works for you. To give an example, the reporting software provides an extensive and detailed catalogue of reports that take into account organization or country regulations demands.

The module is also set up with your corporate branding already implemented—saving time and maintaining the professional face of your organization.

It is important for The Village Building Company to work with an organization that stays abreast of relevant market trends and changes in government legislation. Zavanti does this—providing a consultancy service when needed and adapting their products to comply. Their pricing module is updated automatically with price fluctuations that could impact business decisions, which is a benefit The Village Building Company couldn't work without now.

In a word, it's essential. Zavanti's customer service is unique. The business support staff combines knowledge of the industry with intricate knowledge of the software to provide a mix of both consultancy and products configured for individual client needs.

Along with the suitability of the product, it is the reason why The Village Building Company has continued to use Zavanti for so long. In an industry as complex as construction, this combination of skills and knowledge simplifies the process and is essentially the core of process efficiencies.

It's safe to say that within this industry, everybody builds differently and therefore has different requirements. In many cases, people will buy a product "off-the-shelf," which may have some room for adjustment, but otherwise is quite stringent. Zavanti doesn't think in this way. In The Village Building Company's experience, the vendor takes the time to understand where your company is going, in what sector, and build or adjust its software so that you can move forward together. With Zavanti, it has always been a partnership, as opposed to a supplier-customer relationship, and that is what makes Zavanti unique.

Joint achievements:

- Improved multi-project and multi-company planning and management through flexible report layering
- Increased profits through advanced feasibility, estimating, and job-costing components
- Introduced analysis reporting to provide clarity into and control of business decisions
- Removed necessity for multiple re-entry of data and information
- Increased purchase, tracking, and invoicing efficiencies

Conclusion

Zavanti's software solutions are fit for property owners, developers, and builders, as well as professional services firms. Zavanti drives the development of its products by listening to the voice of its customers and remaining informed about developments in the industry sectors that it serves. The Zavanti suite integrates three critical components for the constructions and professional services verticals: Feasibility, ERP, and CRM.

A principal goal for the Zavanti team is to empower decision makers with accurate data so that they can feel confident about future plans. In fact, the suite enables decision makers to achieve the following:

- Gain real-time access to critical information from any location
- Monitor the performance of operations
- Leverage industry-specific data updates delivered by Zavanti
- Take advantage of an integrated suite of systems, as opposed to working with smaller and fragmented software solutions

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Technology Evaluation Centers Inc.

740 St. Maurice, 4th Floor
Montreal, Quebec
Canada, H3C 1L5

Phone: +1 514-954-3665

Toll-free: 1-800-496-1303

Fax: +1 514-954-9739

E-mail: asktheexperts@technologyevaluation.com

Web site: www.technologyevaluation.com

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